

Use of IRS Data Retrieval and Completing FAFSA on the Web

The U.S. Department of Education (ED) strongly encourages the use of IRS Data Retrieval in the completion of the FAFSA on the Web (FOTW). The following table illustrates using or not using IRS Data Retrieval impacts various types of applicants. For additional information, see Dear Colleague Letters GEN-11-03 and GEN-11-13, available at www.ifap.ed.gov.

Applicant Type	IRS Data Retrieval	Uses Data Retrieval	Doesn't Use Data Retrieval/Changes Data
Applicant completes tax return before completing FOTW	Applicant directed to use data retrieval process	Applicant satisfies verification requirements for transferred data	Applicant more likely to be selected for verification; if selected must explain why data from applicant more accurate than data obtained through retrieval and may have to submit data directly from IRS (transcript)
Applicant does not complete tax return before completing FOTW	Applicant encouraged to submit corrections using data retrieval process	Applicant satisfies verification requirements for transferred data	Applicant more likely to be selected for verification; if selected must explain why data from applicant more accurate than data obtained through retrieval and may have to submit documentation directly from IRS (transcript)
Applicant not eligible to use data retrieval process	Applicant not given option to use process	N/A	If selected for verification will need to submit documentation directly from IRS (transcript)

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Appropriate Use of Professional Judgment

The following chart lists some situations for which students and their families may request professional judgment, and indicates whether or not the exercise of professional judgment authority would be appropriate. Information about professional judgment is located in the *Application and Verification Guide*, which is available at www.ifap.ed.gov.

Situation	Professional Judgment Appropriate	Professional Judgment not Appropriate
Elementary or secondary school tuition	✓	
Medical or dental expenses not covered by insurance	✓	
Nursing home expenses not covered by insurance	✓	
Unusually high child care costs	✓	
Homelessness or dislocated worker status	✓	
Recent unemployment of a family member	✓	
Other changes to a family's income and assets	✓	
IRA rollovers	✓	
Vacation expenses		✓
Tithing expenses		✓
Standard living expenses, such as utilities, credit card payments, and children's allowances		✓

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Cost of Attendance Comparison

Below are sample budgets for three different colleges. Use the budgets to review and compare the financial aid packages for the schools on the Comparing Financial Aid Packages handout.

School	1. My State University	2. Friendly Community College	3. Briarwood College
Tuition and Fees	\$6,000	\$3,500	\$28,000
Room	\$3,000	\$800	\$3,500
Board	\$2,400	\$1,200	\$3,000
Books and Supplies	\$1,500	\$1,000	\$1,500
Computer Costs	\$1,000	\$1,000	\$1,000
Transportation	\$800	\$500	\$2,000
Personal:			
Clothing	\$400	\$400	\$400
Laundry	\$400	\$400	\$400
Medical	\$600	\$600	\$600
Entertainment	\$ 200	\$200	\$200
Other <u>Toiletries</u>	\$400	\$400	\$400
Total COA	\$16,700	\$10,000	\$41,000

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Comparing Financial Aid Packages

Use the information below to review and compare the financial aid packages offered by the three schools. A breakdown by category of each school's budget is in the Cost of Attendance Comparison handout.

Award Package from School:	1. My State University	2. Friendly Community College	3. Briarwood College
Gift Aid (sources):			
1. Federal Pell Grant	\$3,000 Renewable? Yes	\$3,000 Renewable? Yes	\$3,000 Renewable? Yes
2. Federal Supplemental Educational Opportunity Grant	\$500 Renewable? Yes	\$ Renewable?	\$1,500 Renewable? Yes
3. State Scholarship	\$1,000 Renewable? No	\$500 Renewable? No	\$ Renewable?
4. Founder's Scholarship	\$ Renewable?	\$ Renewable?	\$10,000 Renewable? Yes
Total Gift Aid:	\$4,500	\$3,500	\$14,500
Self-Help Work (sources):			
1. Federal Work-Study	\$1,500	\$	\$3,000
2.	\$	\$	\$
Total Work:	\$1,500	\$	\$3,000
Loans (sources and interest rates):			
1. Federal Perkins Loan (5 %)	\$1,000	\$	\$2,500
2. Direct Subsidized Loan (6.8%)	\$3,500	\$3,500	\$3,500
3. Institutional Loan (3%)	\$	\$	\$10,000
Total Loans:	\$4,500	\$3,500	\$16,000
TOTAL All Aid:	\$10,500	\$7,000	\$33,500
Cost of Attendance (COA or Budget):	\$16,700	\$10,000	\$41,000
– Expected Family Contribution (EFC):	– \$2,550	– \$2,550	– \$2,550
– Total All Aid:	– \$10,500	– \$7,000	– \$33,500
= Unmet Need (COA - EFC - Aid):	= \$3,650	= \$450	= \$4,950

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